



**Billing Code: 5001-06**

DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID: DOD-2016-OS-0080]

Privacy Act of 1974; System of Records

**AGENCY:** Office of the Secretary of Defense, DoD.

**ACTION:** Notice to alter a System of Records.

**SUMMARY:** Pursuant to the Privacy Act of 1974, 5 U.S.C. 552a, and Office of Management and Budget (OMB) Circular No. A-130, notice is hereby given that the Office of the Secretary of Defense (OSD) proposes to alter a system of records, DMDC 02 DoD, entitled "Defense Enrollment Eligibility Reporting Systems (DEERS)" last published at 80 FR 68304, November 4, 2015.

The system of records exists to: record the issuance of Department of Defense (DoD) badges and identification cards; authenticate and identify DoD affiliated personnel; grant physical and logical access to DoD facilities; determine eligibility for DoD entitlements and privileges; support DoD health care management programs; assess manpower, support personnel and readiness functions; and provide appropriate contact information of DoD personnel and beneficiaries for the purpose of conducting surveys authorized by the DoD.

This alteration adds a routine use enabling information from the system of records to be disclosed to national consumer reporting agencies to ensure eligible Service members are afforded protections under the Military Lending Act (MLA) in accordance with 32 CFR 232, Limitations on Terms of Consumer Credit Extended to Service Members and Dependents. In addition, the following Department of Defense (DoD) blanket routine have been applied to this system: Law Enforcement, Disclosure When Requesting Information, Congressional Inquiries Disclosure, Disclosure to the Office of Personnel Management, Disclosure of information to the National Archives and Records Administration, and Data Breach Remediation Purposes. This alteration also reflects administrative changes to the categories of individuals, authorities, and storage sections of the systems of the system of records notice.

**DATES:** Comments will be accepted on or before **[INSERT 30-DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. This proposed action will be effective the day following the end of the comment period unless comments are received which result in a contrary determination.

**ADDRESSES:** You may submit comments, identified by docket number and title, by any of the following methods:

\* Federal Rulemaking Portal:

<http://www.regulations.gov>. Follow the instructions for submitting comments.

\* Mail: Department of Defense, Office of the Deputy Chief Management Officer, Directorate for Oversight and Compliance, 4800 Mark Center Drive, Mailbox #24, Alexandria, VA 22350-1700.

Instructions: All submissions received must include the agency name and docket number for this Federal Register document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

**FOR FURTHER INFORMATION CONTACT:** Mrs. Luz D. Ortiz, Chief, Records, Privacy and Declassification Division (RPD2), 1155 Defense Pentagon, Washington, D.C. 20301-1155, or by phone at (571) 372-0478.

**SUPPLEMENTARY INFORMATION:** The Office of the Secretary of Defense notices for systems of records subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended, have been published in the Federal Register and are available from the address in FOR FURTHER INFORMATION CONTACT or at the Defense Privacy,

Civil Liberties and Transparency Division website at  
<http://dpclld.defense.gov/>.

The proposed system report, as required by 5 U.S.C. 552a(r) of the Privacy Act of 1974, as amended, was submitted on July 6, 2016, to the House Committee on Oversight and Government Reform, the Senate Committee on Governmental Affairs, and the Office of Management and Budget (OMB) pursuant to paragraph 4 of Appendix I to OMB Circular No. A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals," revised November 28, 2000 (December 12, 2000 65 FR 77677).

Dated: July 22, 2016.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

DMDC 02 DoD

System name:

Defense Enrollment Eligibility Reporting Systems (DEERS)  
(November 4, 2015, 80 FR 68304).

Changes:

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Categories of individuals covered by the system:

Delete entry and replace with "Members, former members, retirees, civilian employees (includes non-appropriated fund) and contractor employees of the DoD and all of the Uniformed Services; Presidential appointees of all Federal Government agencies; Medal of Honor recipients; U.S. Military Academy students; DoD and Department of Veterans Affairs (DVA) beneficiaries (e.g. dependent family members, legal guardians and other protectors, prior military eligible for DVA benefits, beneficiaries of Servicemembers' Group Life Insurance (SGLI)/Family SGLI (FSGLI)) non-Federal agency civilian associates and other individuals granted DoD privileges, benefits, or physical or logical access to military installations (e.g., American Red Cross paid employees, United Service Organization (USO), Intergovernmental Personnel Act Employees (IPA), Boy and Girl Scout Professionals, non-DoD contract employees); members of the public treated for a medical emergency in a DoD or joint DoD/DVA medical facility; and individuals requiring a Common Access Card to access DoD IT applications (i.e., Department of Homeland Security employees, state National Guard Employees, and Affiliated Volunteers)."

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Authority for maintenance of the system:

Delete entry and replace with "5 U.S.C. App. 3, Inspector General Act of 1978; 5 U.S.C. Chapter 90, Long-Term Care Insurance; 10 U.S.C. 136, Under Secretary of Defense for Personnel and Readiness; 10 U.S.C. Chapter 53, Miscellaneous Rights and Benefits; 10 U.S.C. Chapter 54, Commissary and Exchange Benefits; 10 U.S.C. Chapter 58, Benefits and Services for Members being Separated or Recently Separated; 10 U.S.C. Chapter 75, Deceased Personnel; 10 U.S.C. 2358, Research and Development Projects; 10 U.S.C. Chapter 49 Section 987, Terms of Consumer Credit Extended to Members and Dependents: limitations; 20 U.S.C. 1070a (f)(4), Higher Education Opportunity Act; 31 U.S.C. 3512(c), Executive Agency Accounting and Other Financial Management Reports and Plans; 42 U.S.C. 18001 note, Patient Protection and Affordable Care Act (Public Law 111-148); 52 U.S.C. 20301, Federal Responsibilities; 50 U.S.C. Chapter 23, Internal Security; 50 U.S.C. 501, Servicemembers Civil Relief Act; 38 CFR part 9.20, Traumatic injury protection; 38 U.S.C. Chapter 19, Subchapter III, Service members' Group Life Insurance; DoD Directive 1000.04, Federal Voting Assistance Program (FVAP); DoD Directive 1000.25, DoD Personnel Identity

Protection (PIP) Program; DoD Instruction 1015.09, Professional U.S. Scouting Organization Operations at U.S. Military Installations Overseas; DoD Instruction 1100.13, DoD Surveys; DoD Instruction 1241.03, TRICARE Retired Reserve (TRR) Program; DoD Instruction 1241.04, TRICARE Reserve Select (TRS) Program; DoD Instruction 1336.05, Automated Extract of Active Duty Military Personnel Records; DoD Instruction 1341.2, Defense Enrollment Eligibility Reporting System (DEERS) Procedures; DoD Instruction 3001.02, Personnel Accountability in Conjunction with Natural or Manmade Disasters; Homeland Security Presidential Directive 12, Policy for a Common Identification Standard for Federal Employees and Contractors; DoD Instruction 7730.54, Reserve Components Common Personnel Data System (RCCPDS); and E.O. 9397 (SSN), as amended."

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Routine uses of records maintained in the system, including categories of users and the purposes of such uses:

Delete entry and replace with "In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act of 1974, as amended, the records contained herein

may specifically be disclosed outside the DoD as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

1. To Federal agencies and/or their contractors, the Transportation Security Administration and other federal transportation agencies, for purposes of authenticating the identity of individuals who, incident to the conduct of official business, present the Common Access Card or other valid identification as proof of identity to gain physical or logical access to government and contractor facilities, locations, networks, systems, or programs.

2. To Federal and State agencies to validate demographic data (e.g., SSN, citizenship status, date and place of birth, etc.) for individuals in DMDC personnel and pay files so that accurate information is available in support of DoD requirements.

3. To the Social Security Administration for the purpose of verifying an individual's identity.

4. To the Department of Veterans Affairs (DVA):

- a. To provide uniformed service personnel (pay, wounded, ill, and injured) identification data for present and former



uniformed service personnel for the purpose of evaluating use of veterans' benefits, validating benefit eligibility and maintaining the health and well-being of veterans and their family members.

b. To provide identifying uniformed service personnel data to the DVA and its insurance program contractor for the purpose of conducting outreach and administration of benefits to qualified Servicemembers, Veterans and their dependents (38 U.S.C. 1977), notifying separating eligible Reservists of their right to apply for Veteran's Group Life Insurance coverage under the Veterans Benefits Improvement Act of 1996 (38 U.S.C. 1968) and for DVA to administer the Traumatic Servicemember's Group Life Insurance (TSGLI) (Traumatic Injury Protection Rider to Servicemember's Group Life Insurance (TSGLI), 38 CFR part 9.20).

c. To register eligible veterans and their dependents for DVA programs.

d. To provide former uniformed service personnel and survivor's financial benefit data to DVA for the purpose of identifying retired pay and survivor benefit payments for use in the administration of the DVA's Compensation and Pension

Program (38 U.S.C. 5106). The information is to be used to process all DVA award actions more efficiently, reduce subsequent overpayment collection actions, and minimize erroneous payments.

e. To provide identifying uniformed service personnel data to the DVA for the purpose of notifying such personnel of information relating to educational assistance as required by the Veterans Programs Enhancement Act of 1998 (38 U.S.C. 3011 and 3034).

f. Providing to the Veterans Benefits Administration, DVA uniformed service personnel and financial data for the purpose of determining initial eligibility and any changes in eligibility status to insure proper payment of benefits for GI Bill education and training benefits by the DVA under the Montgomery GI Bill (10 U.S.C. Chapter 1606 - Selected Reserve and 38 U.S.C. Chapter 30 - Active Duty), the REAP educational benefit (Title 10 U.S.C Chapter 1607), and the National Call to Service enlistment educational benefit (10 Chapter 510), the Post 9/11 GI Bill (38 U.S.C. Chapter 33) and The Transferability of Education Assistance to Family Members. The administrative responsibilities designated to both

agencies by the law require that data be exchanged in administering the programs.

5. To consumer reporting agencies:

a. To obtain identity confirmation and current addresses of separated uniformed services personnel to notify them of potential benefits eligibility.

b. To the national consumer reporting agencies for the purpose of ensuring eligible Service members receive Military Lending Act (MLA) protections in accordance with 32 CFR 232.

7. To Federal Agencies, to include OPM, United States Postal Service, Executive Office of the President and Administrative Office of the Courts; Department of Health and Human Services; Department of Education; Department of Veterans Affairs to conduct computer matching programs regulated by the Privacy Act of 1974, as amended (5 U.S.C. 552a), for the purpose of:

a. Providing all members of the Reserve Component of the Armed Forces to be matched against the Federal agencies for identifying those Reserve Component Service members that are also Federal civil service employees with eligibility for the

Federal Employees Health Benefits (FEHB) program. This disclosure by the Federal agencies will provide the DoD with the FEHB program eligibility and Federal employment information necessary to determine initial and continuing eligibility for the TRICARE Reserve Select (TRS) program and the TRICARE Retired Reserve (TRR) program (collectively referred to as purchased TRICARE programs). Reserve Component members who are not eligible for FEHB program are eligible for TRS (section 1076d of title 10) or TRR (section 1076e of title 10).

b. Providing all members of the Reserve Component of the Armed Forces to be matched against the Federal agencies for the purpose of identifying the Ready Reserve Component Service members who are also employed by the Federal Government in a civilian position, so that reserve status can be terminated if necessary. To accomplish an emergency mobilization, individuals occupying critical civilian positions cannot be mobilized as Reservists.

c. Providing to the Department of Education for the purpose of identifying dependent children of those Armed Forces members killed in Operation Iraqi Freedom and Operation

Enduring Freedom (OIF/OEF), Iraq and Afghanistan Only, for possible benefits.

d. Providing to the Veterans Benefits Administration, DVA uniformed service data for the purpose of determining eligibility and any changes in eligibility status to insure proper administration of benefits for GI Bill education and training benefits under the Montgomery GI Bill (10 U.S.C. Chapter 1606 - Selected Reserve and 38 U.S.C. Chapter 30 - Active Duty), the Post 9/11 GI Bill (38 U.S.C. Chapter 33).

e. Providing to the Centers for Medicaid and Medicare Services, Department of Health and Human Service, for the purpose of identifying DoD eligible beneficiaries both over and under the age of 65 who are Medicare eligible. Current law requires Defense Health Agency to discontinue military health care benefits to Military Health Services beneficiaries who are Medicare eligible unless they are enrolled in Medicare Part B.

f. Providing to the Centers for Medicaid and Medicare Services, Department of Health and Human Services, for the purpose of verifying individual's healthcare eligibility status, in accordance with the Affordable Care Act. Data

provided to CMS will be used to make eligibility determinations for insurance affordability programs, administered by Medicaid, the Children's Health Insurance Program (CHIP), the Basic Health Program (BHP) and the American Health Benefit Exchange.

8. To Federal agencies for the purpose of notifying Servicemember and dependent individuals of payments or other benefits for which they are eligible under actions of the Federal agencies.

9. To State agencies for the purpose of supporting State Veteran Affairs activities.

10. To the Department of Labor for unemployment compensation calculations.

11. To other Federal agencies and state, local and territorial governments to identify fraud and abuse of the Federal agency's programs and to identify debtors and collect debts and overpayment in the DoD health care programs.

12. To each of the fifty states and the District of Columbia for the purpose of determining the extent to which state

Medicaid beneficiaries may be eligible for Uniformed Services health care benefits, including CHAMPUS, TRICARE, and to recover Medicaid monies from the CHAMPUS program.

13. To State and local child support enforcement agencies for purposes of providing information, consistent with the requirements of 29 U.S.C. 1169(a), 42 U.S.C. 666(a)(19), and E.O. 12953 and in response to a National Medical Support Notice (NMSN) (or equivalent notice if based upon the statutory authority for the NMSN), regarding the military status of identified individuals and whether, and for what period of time, the children of such individuals are or were eligible for DoD health care coverage. NOTE: Information requested by the States is not disclosed when it would contravene U.S. national policy or security interests (42 U.S.C. 653(e)).

14. To the Department of Health and Human Services (HHS):  
a. For purposes of providing information, consistent with the requirements of 42 U.S.C. 653 and in response to an HHS request, regarding the military status of identified individuals and whether the children of such individuals are or were eligible for DoD healthcare coverage and for what period of time they were eligible. NOTE: Information

requested by HHS is not disclosed when it would contravene U.S. national policy or security interests (42 U.S.C. 653(e)).

b. For purposes of providing information so that specified Medicare determinations, specifically late enrollment and waiver of penalty, can be made for eligible (1) DoD military retirees and (2) spouses (or former spouses) and/or dependents of either military retirees or active duty military personnel, pursuant to section 625 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2002 (as codified at 42 U.S.C. 1395p and 1395r).

c. To the Office of Child Support Enforcement, Federal Parent Locator Service, pursuant to 42 U.S.C. 653 and 653a; to assist in locating individuals for the purpose of establishing parentage; establishing, setting the amount of, modifying, or enforcing child support obligations; or enforcing child custody or visitation orders; the relationship to a child receiving benefits provided by a third party and the name and SSN of those third party providers who have a legal responsibility. Identifying delinquent obligors will allow state child support



enforcement agencies to commence wage withholding or other enforcement actions against the obligors.

d. For purposes of providing information to the Centers for Medicare and Medicaid Services (CMS) to account for the impact of DoD healthcare on local reimbursement rates for the Medicare Advantage program as required in 42 CFR 422.306.

15. To Coast Guard and Public Health Service to complete Individual Mandate Reporting and Employer Mandate reporting to the Internal Revenue Service (IRS) as required by Patient Protection and Affordable Care Act of 2010 (PL 111-148) and Sections 6055 and 6056 of the IRS Code.

16. To Federal and contractor medical personnel at joint DoD/DVA health care clinics, for purposes of authenticating the identity of individuals who are registered as patients at the clinic and maintaining, through the correlation of DoD ID number and Integration Control Number (ICN), a shared population of DoD and DVA beneficiaries who are users of the clinic.

17. To the American Red Cross for purposes of providing emergency notification and assistance to members of the Armed Forces, retirees, family members or survivors.

18. To the Office of Disability and Insurance Security Programs, for the purpose of expediting disability processing of wounded military service members and veterans.

19. To Federally Funded Research Centers and grantees for the purpose of performing research on manpower problems for statistical analyses.

20. To Defense contractors to monitor the employment of former DoD employees and uniformed service personnel subject to the provisions of 41 U.S.C. 423.

21. Disclosure of Requested Information Routine Use:

A record from a system of records maintained by a DoD Component may be disclosed to a federal agency, in response to its request, in connection with the hiring or retention of an employee, the issuance of a security clearance, the reporting of an investigation of an employee, the letting of a contract, or the issuance of a license, grant, or other benefit by the requesting agency, to the extent that the

information is relevant and necessary to the requesting agency's decision on the matter.

22. To Federal and quasi Federal agencies, territorial, state and local governments, and contractors and grantees for the purpose of supporting research studies concerned with the health and well-being of active duty, reserve, and retired uniformed service personnel or veterans, to include family members. DMDC will disclose information from this system of records for research purposes when DMDC:

- a. has determined that the use or disclosure does not violate legal or policy limitations under which the record was provided, collected, or obtained;
- b. has determined that the research purpose (1) cannot be reasonably accomplished unless the record is provided in individually identifiable form, and (2) warrants the risk to the privacy of the individual that additional exposure of the record might bring;
- c. has required the recipient to (1) establish reasonable administrative, technical, and physical safeguards to prevent unauthorized use or disclosure of the record, and (2) remove

or destroy the information that identifies the individual at the earliest time at which removal or destruction can be accomplished consistent with the purpose of the research project, unless the recipient has presented adequate justification of a research or health nature for retaining such information, and (3) make no further use or disclosure of the record except (A) in emergency circumstances affecting the health or safety of any individual, (B) for use in another research project, under these same conditions, and with written authorization of the Department, (C) for disclosure to a properly identified person for the purpose of an audit related to the research project, if information that would enable research subjects to be identified is removed or destroyed at the earliest opportunity consistent with the purpose of the audit, or (D) when required by law;

d. has secured a written statement attesting to the recipients' understanding of, and willingness to abide by these provisions.

23. To the Department of Homeland Security for the conduct of studies related to the health and well-being of Coast Guard members and to authenticate and identify Coast Guard personnel.

24. To Federal and State agencies for purposes of obtaining socioeconomic information on uniformed service personnel so that analytical studies can be conducted with a view to assessing the present needs and future requirements of such personnel.

25. To the Bureau of Citizenship and Immigration Services, Department of Homeland Security, for purposes of facilitating the verification of individuals who may be eligible for expedited naturalization (Pub. L. 108-136, Section 1701, and E.O. 13269, Expedited Naturalization).

26. To Coast Guard recruiters in the performance of their assigned duties.

27. Law Enforcement Routine Use: If a system of records maintained by a DoD Component to carry out its functions indicates a violation or potential violation of law, whether civil, criminal, or regulatory in nature, and whether arising by general statute or by regulation, rule, or order issued pursuant thereto, the relevant records in the system of records may be referred, as a routine use, to the agency concerned, whether federal, state, local, or foreign, charged

with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute, rule, regulation, or order issued pursuant thereto.

28. Disclosure When Requesting Information Routine Use: A record from a system of records maintained by a DoD Component may be disclosed as a routine use to a federal, state, or local agency maintaining civil, criminal, or other relevant enforcement information or other pertinent information, such as current licenses, if necessary to obtain information relevant to a DoD Component decision concerning the hiring or retention of an employee, the issuance of a security clearance, the letting of a contract, or the issuance of a license, grant, or other benefit.

29. Congressional Inquiries Disclosure Routine Use: Disclosure from a system of records maintained by a DoD Component may be made to a congressional office from the record of an individual in response to an inquiry from the congressional office made at the request of that individual.

30. Disclosure to the Office of Personnel Management Routine Use: A record from a system of records subject to the Privacy Act and maintained by a DoD Component may be

disclosed to the Office of Personnel Management (OPM) concerning information on pay and leave, benefits, retirement deduction, and any other information necessary for the OPM to carry out its legally authorized government-wide personnel management functions and studies.

31. Disclosure of information to the National Archives and Records Administration Routine Use: A record from a system of records maintained by a DoD Component may be disclosed as a routine use to the National Archives and Records Administration for the purpose of records management inspections conducted under authority of 44 U.S.C. 2904 and 2906.

32. Data Breach Remediation Purposes Routine Use. A record from a system of records maintained by a Component may be disclosed to appropriate agencies, entities, and persons when (1) The Component suspects or has confirmed that the security or confidentiality of the information in the system of records has been compromised; (2) the Component has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs

(whether maintained by the Component or another agency or entity) that rely upon the compromised information; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the Components efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.

The DoD Blanket Routine Uses set forth at the beginning of the Office of the Secretary of Defense (OSD) compilation of systems of records notices may apply to this system. The complete list of DoD Blanket Routine Uses can be found Online at:

<http://dpcl.d.defense.gov/Privacy/SORNsIndex/BlanketRoutineUses.aspx>

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Storage:

Delete entry and replace with "Electronic storage media."

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